

Notice of Intent to Certify Sole Source

To: Interested Parties

From: David C. Johnson

CC: ITS Project Number 47498

Date: January 17, 2023

Re: Sole Source Certification Number 4517 to provide Modeling System software maintenance for the Mississippi Department of Transportation (MDOT)

Contact Name: Debbie Parker

Contact Phone Number: 601-432-8159

Contact E-mail Address: Debbie.Parker@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4517 for the Mississippi Department of Transportation (MDOT), please be advised that ITS intends to award Regional Economic Models, Inc. (REMI), as the sole source provider of Modeling System software maintenance through May 30, 2026, in an amount not to exceed \$163,680.00. Please be advised that ITS will determine if additional enhancements, upgrades, support, or equipment are within scope during the certification period and may increase the spending authority accordingly. Should REMI change their name during this certification period, then ITS will determine if a recertification is necessary. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment B: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

The REMI TranSight Modeling System (TranSight) is the only widely available software that links a travel demand model output with a comprehensive economic model that fully integrates economic theory to provide year-by-year (dynamic) simulation forecasts, allowing the user to quantify the effect of transportation improvements on a region.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

REMI TranSight is used by MDOT to evaluate the economic effects of transportation improvements. It also provides the ability to determine secondary and cumulative effects of a transportation project which is a growing concern from an

environmental perspective. It was recently utilized for an economic impact analysis for the long-range transportation plan.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

TranSight is the only economic model that provides macroeconomic effects of safety, fuel demand, and emissions by type. It is available only from REMI. The Vendor's sole source certification letter is included as Attachment A.

Schedule

Task	Date
First Advertisement Date	01/17/23
Second Advertisement Date	01/24/23
Response Deadline From Objectors	01/31/23 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 02/01/23

Project Details

The TranSight software and maintenance services were originally purchased in May 2006 using then approved sole source procurement procedures with MDOT continuing the maintenance and support. In February 2017, ITS issued Notice of Intent to Certify Sole Source No. 3980 for the renewal of REMI maintenance through May 31, 2020, and received no objections. In April 2020, ITS issued Notice of Intent to Certify Sole Source No. 4297 for the renewal of REMI maintenance through May 30, 2023, and received no objections. MDOT wishes to procure three additional years of software maintenance to continue using TranSight at a cost of \$163,680.00 for maintenance through May 30, 2026. The current spend to date is \$1,137,410.00.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the TranSight Modeling System software maintenance should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to Regional Economic Models, Inc. (REMI)

Interested Party Information

- 1.1.1 Contact Name, Phone Number and email address
- 1.1.2 Company Website URL, if applicable
- 1.2 Objection to Sole Source Certification
 - 1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.
 - 1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.
- 1.3 Comments will be accepted at any time prior to Tuesday, January 31, 2023, at 3:00 p.m. (Central Time) to Debbie Parker at Debbie.Parker@its.ms.gov or at the Mississippi Department of Information

Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Debbie Parker to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4 Interested Party responses should include the following information:

**SUBMITTED IN RESPONSE TO
Sole Source Certification No. 4517-47526
Accepted until January 31, 2023 @ 3:00 p.m.,
ATTENTION: Debbie Parker**

If you have any questions concerning the information above or if we can be of further assistance, please contact Debbie Parker at 601-432-8159 or via email at Debbie.Parker@its.ms.gov.

Attachment A: Vendor Correspondence

Attachment B: Sole Source Procurement Overview



December 8, 2022

Regional Economic
Models, Inc.

433 West St., Suite 4
Amherst, MA 01002

Sammy Holcomb, Planning Analysis Manager
Mississippi Department of Transportation, Planning Division
PO Box 1850, 7th Floor
Jackson, MS 39215-1850

Dear Mr. Holcomb,

We are very pleased to offer the REMI TranSight model system and associated maintenance services for economic analysis of transportation policies and planning in the State of Illinois. Please see the following description of the model that provides documentation for a "sole source" contract.

REMI TranSight® Modeling System Sole-Source Documentation:

REMI TranSight is the only software that links travel demand outputs, or other transportation network related metrics with a dynamic and comprehensive economic model. TranSight integrates economic theory to provide year-by-year (dynamic) simulation forecasts, allowing the user to quantify the effect of transportation improvements on the competitive advantage of a region. TranSight is also the only economic model that provides the macroeconomic effects of safety, fuel demand, and emissions by type. It is available only from REMI.

One methodology that TranSight grounds its self in is "New Economic Geography" as put forth by Fan, Treyz, and Treyz (*Journal of Regional Science*, vol. 40, no. 4). The proprietary REMI transportation cost matrix translates changes in vehicle miles travelled to changes in labor access, intermediate input access, and delivered prices. These change economic competitiveness and drive economic growth and change.

Incorporating economics with travel demand modeling, TranSight shows how transportation makes economies competitive. With TranSight, you can test alternative transportation changes and see how they impact jobs, income, population, and other economic variables. TranSight allows for the importing of travel demand data, creation of cost-benefit analyses according to FHWA guidelines, and has project prioritization capabilities.

TranSight is a highly complex modeling tool that integrates travel demand models with the REMI model, and is constructed with extensive data on emissions, safety valuations, factors, and other data. The REMI model is well known and respected in the economics community, as demonstrated by the following:

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info@remi.com
www.remi.com

- The REMI model has seen 25 years of use in evaluating the economic effects of transportation.
- TranSight demonstrates productivity and technical relationships forecasted for the years of a study
- Captures projected wage compensation, price effects, etc.
- Captures investment as a stock adjustment process
- Feedback to wage compensation and composition of consumption.
- Studies using REMI have been published in:
 1. Peer-reviewed scholarly journals such as the *American Economic Review*, the *Journal of Regional Science*, the *Review of Economics and Statistics*, and the *Journal of Transportation and Statistics*;
 2. Other publications such as the National Cooperative Highway Research Program Project.
- An independent evaluation from the Massachusetts Institute of Technology found the following features to be unique to REMI:
 1. “It is calibrated to local conditions using a relatively large amount of local data, which is likely to improve its performance, especially under conditions of structural economic change.
 2. It has an exceptionally strong theoretical foundation.
 3. It actually combines several different kinds of analytic tools (including economic-base, input-output, and econometric models), allowing it to take advantage of each specific method’s strengths and compensate for its weaknesses.
 4. It allows users to manipulate an unusually large number of input variables and gives forecasts for an unusually large number of output variables.
 5. It allows the user to generate forecasts for any combination of future years, allowing the user special flexibility in analyzing the timing of economic impacts.
 6. It accounts for business cycles.

7. It has been used by a large number of users under diverse conditions and has proven to perform acceptably.”¹

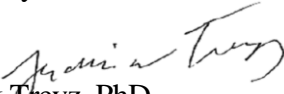
TranSight combines these unique economic features with a model customized to the analytical and interface needs of every client, implemented through a point- and-click Windows software program which can generate custom reports (including tables and graphs) in Microsoft Word format. REMI offers unlimited telephone and e-mail support for both the software application and the proper economic use of the model.

The vast majority of US states have used REMI models, as have a variety of Metropolitan Planning Organizations, Regional Planning Councils, federal agencies, consulting firms, universities, and other organizations. Connecticut, Pennsylvania, New Mexico, Louisiana, Mississippi, North Dakota, and Washington State all currently use the TranSight model, and it has been used over the years for hundreds of highway corridor studies and other studies of the economic effects of transportation.

The maintenance service that REMI offers for TranSight ensures that the licensee receives the most up to-date TranSight model software as new versions are released. The maintenance also includes technical support provided by REMI economists on model use and results interpretation. Throughout the year, REMI offers training seminars, as well as hosting an annual Users' Conference for our clients.

Please do not hesitate to contact me for further information; we look forward to working with you in the future.

Yours Truly,


Frederick Treyz, PhD
Chief Executive Officer

¹ Karen R. Polenske, Kelly Robinson, Xu Hung Hong, Xiannuan Lin, Judith Moore, and Bruce Stedman, "Evaluation of the South Coast Air Quality Management District's Methods for Assessing Socioeconomic Impacts of District Rules and Regulations," Massachusetts Institute of Technology, Volume 1: *Summary of Findings* dated May, 1992, p. 19.

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment A.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source certification

above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.